

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 02735 01 OF 02 201836Z

41

ACTION EUR-12

INFO OCT-01 EA-07 IO-11 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 /105 W

----- 049233

R 201826Z FEB 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9188

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDEL MTN GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 02735

E.O. 11652: N/A

TAGS: UK, ELA, ECON

SUBJECT: TRADE UNION REACTIONS TO PUBLIC EXPENDITURE

WHITE PAPER

REF: LONDON 2601

1. BEGIN SUMMARY: TUC HEADQUARTERS' REACTION TO THE
GOVERNMENT'S WHITE PAPER ON PUBLIC EXPENDITURE HAS BEEN
VERY MUTED. THIS IS IN CONTRAST TO THAT OF TUC PUBLIC
SECTOR UNIONS WHO ARE VERY BITTER ABOUT PLANNED GOVERNMENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 02735 01 OF 02 201836Z

CUTS IN SERVICES AND STAFF. TAKEN TOGETHER, THESE

UNIONS REPRESENT A SIGNIFICANTLY LARGE PROPORTION -- ABOUT ONE FIFTH -- OF THE TUC'S MEMBERSHIP. IF THEIR ANGER IS TRANSLATED INTO NEGATIVE VOTES, THESE UNIONS COULD COMPLICATE THE CRITICAL DECISION WHICH THE TUC MUST TAKE ON THE NEXT WAGE POLICY ROUND AND WHICH REACHES ITS CLIMACTIC VOTE AT THE TUC CONGRESS IN SEPTEMBER.
END SUMMARY.

2. A PLANNED 140 MILLION POUND CUTBACK IN STAFF COSTS BY 1978 IS THE MAIN CONCERN OF THE PUBLIC SECTOR UNIONS. GEOFFREY DRAIN, LEADER OF THE OVER 600,000 MEMBER NATIONAL AND LOCAL GOVERNMENT OFFICERS ASSOCIATION (NALGO) REPORTEDLY DECLARED THAT THE BRUNT OF THE CUTS WOULD BE BORNE BY THE "MOST VULNERABLE" WITH THE CONSEQUENT EFFECTS ON THE "FUTURE OF OUR WELFARE SOCIETY." /HEE WARNED THAT THE UNION WOULD NOT STAND IDLY BY WHILE THIS "DISMANTLING" TOOK PLACE.

3. OTHER UNIONS IN THE PUBLIC SECTOR REACTED IN A SIMILAR VEIN. THESE INCLUDE SUCH IMPORTANT UNIONS AS THE CIVIL AND PUBLIC SERVICES ASSOCIATION, WITH OVER 200,000 MEMBERS; THE NATIONAL UNION OF RAILWAYMEN, WITH ABOUT 170,000; NATIONAL UNION OF PUBLIC EMPLOYEES. WITH OVER 500,000 MEMBERS AND THE TEACHERS UNION OF MORE THAN 260,000.

4. JUST BEFORE THE WHITE PAPER WAS RELEASED. WE MET WITH DRAIN, WHO HAS BEEN VERY VOCAL IN PUBLIC WARNINGS ABOUT THE DANGER OF CUTS. HE TOLD US THAT HIS MAIN CONCERN IS THE LONG TERM EFFECT OF THESE GOVERNMENT CUTS ON LOBS AND THAT THIS ISSUE COULD VERY WELL AFFECT THE UNION'S POSITION ON TUC PAY POLICY.

5. TUC HEADQUARTERS REACTION TO THE WHITE PAPER HAS BEEN VERY RESTRAINED. WHEN WE SPOKE TODAY WITH A TUC OFFICIAL WHO DEALS WITH ECONOMIC AFFAIRS, HE TOLD US THAT THE ORGANIZATION "KEPT QUIET YESTERDAY" (WHEN THE WHITE PAPER WAS ANNOUNCED) AND WOULD "KEEP QUIET TODAY," ALTHOUGH THE TUC GENERAL COUNCIL WHICH MEETS NEXT

SPIERS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 02735 01 OF 02 201836Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 02735 02 OF 02 201839Z

41

ACTION EUR-12

INFO OCT-01 EA-07 IO-11 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 /105 W

----- 049285

R 201826Z FEB 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9189

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDEL MTN GENEVA

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 02735

WEDNESDAY MAY HAVE SOMETHING TO SAY ABOUT IT WHEN IT FINALIZES ITS ANNUAL ECONOMIC REVIEW. HE SAID THAT IT WAS VERY UNFORTUNATE, HOWEVER, THAT "EXOENDITURES AND RECEIPTS ARE DEALT WITH SEPARATELY IN THIS COUNTRY." HE MEANT THAT AN OVERVIEW OF FORWARD POLICY COULD NOT BE COMPLETE UNTIL THE BUDGET IS ANNOUNCED IN APRIL.

6. AS FOR THE WHITE PAPER CUTS, HE DID NOT THINK THE DAMAGE WAS AS BAD AS THE PUBLIC SECTOR UNIONS WERE SUGGESTING. TO A LARGE EXTENT, HE BELIEVES, THESE CUTS WILL MEAN A SLOWDOWN IN PUBLIC SECTOR UNION GROWTH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 02735 02 OF 02 201839Z

RATHER THAN AN ACTUAL REDUCTION OF WORK FORCE. OUR SOURCE ACKNOWLEDGED THAT WHETHER THE FEARS OF PUBLIC

SERVICE UNION LEADERS WERE GENUINELY BASED OR EXAGGERATED, THEY ARE NONETHELESS REAL AND COULD COMPLICATE THE TUC'S EFFORT IN GETTING TRADE UNION CONSENSUS ON THE NEXT WAGE ROUND. HE ACKNOWLEDGED THAT THE TUC IS SENSITIVE TO THE OVERALL ECONOMIC CRISIS WHICH THE GOVERNMENT FACES AND IMPLIED THAT THE ORGANIZATION DOES NOT WISH TO ADD FURTHER COMPLICATIONS AT THIS STAGE.

7. COMMENT: EVEN IF THE PUBLIC SECTOR UNIONS WERE TO TRANSLATE THEIR CURRENT ANGER INTO UNIFIED OPPOSITION TO THE GOVERNMENT'S NEXT PAY POLICY, THEY WOULD NEED TO JOIN WITH OTHER DISCONTENTED UNIONS TO BE EFFECTIVE. THE BEHAVIOUR OF OTHER UNIONS WILL BE AFFECTED BY MANY FACTORS, INCLUDING THE LEVEL OF UNEMPLOYMENT, AND THEIR JUDGMENT ABOUT THE EFFECT THEIR ACTIONS MIGHT HAVE ON THE CONTINUED EXISTENCE OF A LABOR GOVERNMENT. NONETHELESS' THE PUBLIC SECTOR REACTION TO THE WHITE PAPER PROVIDES ANOTHER EXAMPLE OF THE VOLATILE CHARACTER OF TRADE UNION-GOVERNMENT RELATIONS, PARTICULARLY IN THE CRITICAL AREA OF JOB SECURITY. AS LEN MURRAY HAS WARNED IN THE PAST, THE GOVERNMENT DOES NOT HAVE THE UNIONS IN ITS POCKET."

8. A GENERAL SUMMARY OF REACTION TO THE WHITE PAPER IS BEING TRANSMITTED SEPARATELY.

SPIERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR UNIONS, PUBLIC ATTITUDES, GOVERNMENT EXPENDITURES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON02735
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760064-0639
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760230/aaaabafr.tel
Line Count: 195
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LONDON 2601
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by ElyME>; APPROVED <31 MAR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE UNION REACTIONS TO PUBLIC EXPENDITURE WHITE PAPER
TAGS: ELAB, ECON, UK, TUC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006